

J022611

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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SECRET

COUNTRY	East Germany	REPORT NO.	<input type="text"/>	25X1A
SUBJECT	Retail Activities by State-Run Concerns, Cooperatives, and Private Firms	DATE DISTR.	18 March 1954	
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SOURCE:  25X1X

At a conference held by the East Berlin HO-Kreisbetriebe (district HO concerns) on 30 October 1953, at which the achievements of private trade in comparison with state-run concerns and cooperatives were discussed, source learned that of the total sale of goods in East Germany in the second quarter of 1953, 9.8 percent involved private retailers and 90.2 percent state-run concerns and cooperatives. In late October 1953, 38 percent of the goods for the fourth quarter were held available for private retailers. It was believed that the goods available would be ordered and sold, while it was doubted that state-controlled retail shops and retail cooperatives, which had their warehouses full of non-selling goods, would be able to compete with private retailers even during the Christmas season, since most buyers preferred to shop in private stores. It was said that private trade activities were being furthered in order to raise the selling efficiency of state-run concerns by the private retailers' competition and that this could be dropped later. It was also stated that able members of staffs of state-controlled and cooperative retail shops preferred employment at private retail firms which provided better treatment and better payment with less political indoctrination, in addition to permitting personal initiative.

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